

**SOUTHEASTERN WISCONSIN REGIONAL
PLANNING COMMISSION (SEWRPC)
Waukesha, Wisconsin**

**FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND SINGLE AUDIT
December 31, 2023**



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Southeastern Wisconsin Regional Planning Commission
Waukesha, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Southeastern Wisconsin Regional Planning Commission (the Commission), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, as of December 31, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter – Implementation of New Standard

As discussed in Note 1 to the financial statements, effective January 1, 2023, the Commission adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. The guidance requires subscribers to recognize a subscription liability and a corresponding intangible subscription asset for all subscription-based information technology arrangements with noncancellable subscription terms greater than twelve months. The implementation had no impact on previously reported net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of revenues, expenses, and changes in net position – budget to actual and schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Wisconsin *State Single Audit Guidelines*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues, expenses, and changes in net position – budget to actual and schedules of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Wisconsin *State Single Audit Guidelines*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of member contributions but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 15, 2024

BASIC FINANCIAL STATEMENTS

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
December 31, 2023

ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 6,053,254
Accounts receivable	3,356,643
Lease receivable	17,835
Prepaid expenses	256,833
Total current assets	<u>9,684,565</u>
NONCURRENT ASSETS	
Capital assets, not being depreciated / amortized	335,300
Capital assets, net of accumulated depreciation / amortization	<u>1,598,576</u>
Total noncurrent assets	<u>1,933,876</u>
Total assets	<u>11,618,441</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension activity	5,132,639
OPEB activity	<u>359,662</u>
Total deferred outflows of resources	<u>5,492,301</u>
Total assets and deferred outflows of resources	<u>\$ 17,110,742</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 46,419
Accrued liabilities	269,516
Deposits	1,333
Compensated absences	476,141
Unearned revenues	271,871
Net OPEB liability	<u>16,469</u>
Total current liabilities	<u>1,081,749</u>
NONCURRENT LIABILITIES	
Compensated absences	277,223
Net pension liability	1,372,367
Net OPEB liability	<u>1,013,211</u>
Total noncurrent liabilities	<u>2,662,801</u>
Total liabilities	<u>3,744,550</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	17,312
Pension activity	2,875,641
OPEB activity	<u>601,671</u>
Total deferred inflows of resources	<u>3,494,624</u>
NET POSITION	
Investment in capital assets	1,933,876
Unrestricted	<u>7,937,692</u>
Total net position	<u>9,871,568</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 17,110,742</u>

The accompanying notes are an integral part of the basic financial statements.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year Ended December 31, 2023

OPERATING REVENUES

Intergovernmental:	
Charges for services	\$ 1,516,904
Grants:	
Federal	4,817,886
State	314,904
Miscellaneous	<u>5,027</u>
Total operating revenues	<u>6,654,721</u>

OPERATING EXPENSES

Salaries and fringe benefits	7,312,161
Technical consultants	838,607
Office supplies	39,699
Insurance, audit, legal fees	107,095
Library acquisition and dues	37,343
Printing and graphic supplies	34,416
Postage expenses	11,144
Travel expenses	52,740
Telephone expenses	34,969
Building usage	28,600
Building maintenance	163,404
Other operating expenses	56,786
Software and equipment maintenance	214,509
Other equipment outlays	44,943
Depreciation / amortization	<u>134,146</u>
Total operating expenses	<u>9,110,562</u>
Operating loss	<u>(2,455,841)</u>

NONOPERATING REVENUES AND EXPENSES

County tax levy	2,370,245
Rental income	69,247
Investment income	<u>324,700</u>
Total nonoperating revenues	<u>2,764,192</u>

Change in net position	308,351
Net position - beginning of year	<u>9,563,217</u>
Net position - end of year	<u><u>\$ 9,871,568</u></u>

The accompanying notes are an integral part of the basic financial statements.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Collection from intergovernmental activities and other sources	\$ 5,944,838
Payments made to suppliers	(1,847,371)
Payments made to employees	<u>(6,712,414)</u>
Net cash used by operating activities	<u>(2,614,947)</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

Collections of tax levy	<u>2,370,245</u>
Net cash provided by noncapital capital and related financing activities	<u>2,370,245</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	<u>(34,047)</u>
Net cash used by capital and related financing activities	<u>(34,047)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Collection of rents	70,020
Interest on investments	<u>324,700</u>
Net cash provided by investing activities	<u>394,720</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 115,971

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 5,937,283

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 6,053,254

RECONCILIATION OF OPERATING LOSS TO NET

CASH USED BY OPERATING ACTIVITIES

Operating loss	\$ (2,455,841)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation / amortization	134,146
Effects on changes in operating assets and liabilities:	
Receivables	(677,852)
Prepaid expenses	(51,085)
Pension asset (liability)	3,473,674
Pension deferred outflows of resources	(1,034,439)
Pension deferred inflows of resources	(2,077,213)
OPEB liability	(378,748)
OPEB deferred outflows of resources	56,738
OPEB deferred inflows of resources	396,676
Accounts payable and other liabilities	(96,086)
Unearned revenues	(32,031)
Compensated absences	<u>127,114</u>

NET CASH USED BY OPERATING ACTIVITIES \$ (2,614,947)

The accompanying notes are an integral part of the basic financial statements.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies utilized by the Southeastern Wisconsin Regional Planning Commission (the Commission).

A. Reporting Entity

The Commission was established in 1960 as the official area-wide planning agency for the southeastern region of the state of Wisconsin. The Commission serves the seven counties of Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha.

The Commission was created to provide objective information and professional planning initiatives to help solve problems and to focus regional attention on key issues of regional consequence. Regional planning provides a meaningful technical approach to the proper planning and design of public works systems.

The Commission's board of commissioners consists of twenty-one members, three from each of the seven member counties. One Commissioner from each county is appointed, or confirmed by the county board in those counties where a county executive appoints, and is usually an elected county board supervisor. The remaining two from each county are appointed by the Governor, one from a list prepared by the county.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

All activities of the Commission are accounted for within a single proprietary (enterprise) fund using the full accrual basis of accounting whereby revenues are recognized when earned and expenses, including depreciation/amortization, are recorded when incurred. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Deposits and Investments

The Commission's deposits consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of certificates of deposit with original maturities exceeding three months and the Local Government Investment Pool (LGIP). Certificates of deposits are stated at the carrying value. The Local Government Investment Pool (LGIP) is reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin LGIP is part of the State Investment Fund (SIF), and is managed by the state of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on a one day's notice.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the statement of net position.

3. Capital Assets

Capital assets, which include property, plant, and equipment assets are reported in the statement of net position. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the Commission constructs or acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

3. *Capital Assets* (continued)

Land and construction in progress are not depreciated/amortized. The other property, plant, and equipment of the Commission are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Capital asset classes</u>	<u>Lives</u>
Land improvements	20 years
Buildings and improvements	15 - 40 years
Office furniture	7 years
Computers and related equipment	3 years
Office equipment	5 years
Automobiles	5 years
Field equipment	5 years
Subscription right-of-assets	3 years

4. *Deferred Outflows and Inflows of Resources*

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then.

The Commission has three items that qualify for this reporting in the statement of net position. Activity related to the Commission's participation in the Wisconsin Retirement Pension System for the purpose of administering the defined benefit pension plan of the eligible employees. Further disclosure regarding these items can be identified in Note 5. The second item is activity related to the Commission's Other Post-Employment Benefit plans for retiree medical and life insurance. Further disclosure regarding these items can be identified in Note 6. The third item is activity related to leases. Further disclosure regarding these items can be identified in Note 11.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Other Post-Employment Benefits

Other Post-Employment Benefits (OPEB) Local Retiree Life Insurance – The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Retiree Medical Insurance – The Commission allows eligible retirees to retain access to medical insurance. Eligibility and benefit provisions are based on the Commission's employee benefit policies. Under the provisions of the plan a retiree may choose to self-pay the full amount of premiums to remain on the Commission's group medical plan through the State indefinitely, provided they continue to pay all required premiums.

6. Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The Commission pays partial amounts of accumulated sick leave time when employees retire from services, and a liability is recorded for this amount. All vacation pay is accrued when incurred in the financial statements. Payments for accumulated vacation will be made at rates in effect when the benefits are used or paid out upon separation.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Net Position

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation\amortization.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of 16555resources that are not included in the determination of the net investment in capital assets or the restricted components of net position.

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position assumptions must be made about the order in which the resources are considered to be applied.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

8. Receivables, Revenues, and Expenses

The Commission distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. The principal operating revenues of the Commission are federal, state, and local grants, and charges to local government for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Receivables are recorded when funding is earned in accordance with grants and service agreements.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Leases

The Commission is a lessor of space to a lessee within the Commission's building. Under this lease agreement, the Commission recognizes a lease receivable and deferred inflow of resources based on the criteria dictated by GASB Statement No. 87, *Leases*. The Commission measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of the lease payments received.

Deferred inflows of resources related to leases are initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

10. Subscription-Based Information Technology Arrangements (SBITA)

Subscription based information technology agreements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

D. Adoption of New Accounting Standard

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Commission adopted the requirements of the guidance effective January 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS

The Commission had the following deposits as of December 31, 2023:

	<u>Carrying Value</u>	<u>Financial Institution Balances</u>	<u>Associated Risks</u>
Petty cash	\$ 100	\$ -	N/A
Deposits:			
Demand deposits	491,023	664,348	Custodial Credit
Time and savings deposits	261,704	388,635	Custodial Credit
Certificates of deposit	264,758	264,758	Custodial Credit
Investments:			
Local Government Investment Pool (LGIP)	<u>5,035,669</u>	<u>5,035,669</u>	Credit, Interest Rate
 Total deposits and investments	 <u>\$ 6,053,254</u>	 <u>\$ 6,353,410</u>	

Deposits in each local bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits. Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relation to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual governmental agencies. This coverage has not been considered in computing the custodial credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Commission's deposits may not be returned. The Commission does not have a policy related to custodial credit risk. As of December 31, 2023, \$460,335 of the Commission's total bank balance of \$1,317,741 was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Commission held amounts in LGIP which has a weighted average maturity of 17 days as of December 31, 2023.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. The Commission has no investment policy which minimizes credit risk by limiting investments to specific types of securities, other than state laws and regulations. The Commission held amounts in LGIP which is not rated.

Fair Value Measurements

The Commission uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The Commission follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Commission has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statement of net position are based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The Commission does not have any assets or liabilities subject to fair value measurement as of December 31, 2023.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 – ACCOUNTS RECEIVABLE

The Commission has the following receivables outstanding as of December 31, 2023:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Other Sources</u>	<u>Total</u>
State of Wisconsin	\$ 2,696,096	\$ 114,596	\$ 202,110	\$ 3,012,802
Local governments	-	-	343,841	343,841
Total receivables	<u>\$ 2,696,096</u>	<u>\$ 114,596</u>	<u>\$ 545,951</u>	<u>\$ 3,356,643</u>

All receivables are expected to be collected within one year; as such, no long-term accounts receivable have been recorded as of December 31, 2023.

As of December 31, 2023, the Commission has not established an allowance for doubtful accounts. During the year 2023, the Commission did not record any bad debt related to the outstanding receivables.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated / amortized				
Land	\$ 335,300	-	-	\$ 335,300
Total capital assets, not being depreciated / amortized	<u>335,300</u>	<u>-</u>	<u>-</u>	<u>335,300</u>
Capital assets being depreciated / amortized				
Land improvements	213,655	-	-	213,655
Buildings and improvements	3,500,527	-	-	3,500,527
Computers and related equipment	107,807	-	-	107,807
Office furniture and equipment	122,799	-	-	122,799
Automobiles	179,004	-	-	179,004
Field equipment	62,139	-	-	62,139
Subscription right-of-use assets	-	34,047	-	34,047
Total capital assets being depreciated / amortized	<u>4,185,931</u>	<u>34,047</u>	<u>-</u>	<u>4,219,978</u>
Accumulated depreciation / amortization				
Land improvements	213,655	-	-	213,655
Buildings and improvements	1,857,509	91,036	-	1,948,545
Computers and related equipment	84,442	11,848	-	96,290
Office equipment	109,180	13,618	-	122,798
Automobiles	160,331	11,970	-	172,301
Field equipment	62,139	-	-	62,139
Subscription right-of-use assets	-	5,674	-	5,674
Total accumulated depreciation / amortization	<u>2,487,256</u>	<u>134,146</u>	<u>-</u>	<u>2,621,402</u>
Net capital assets being depreciated / amortized	<u>1,698,675</u>	<u>(100,099)</u>	<u>-</u>	<u>1,598,576</u>
Total capital assets, net of accumulated depreciation / amortization	<u>\$ 2,033,975</u>	<u>\$ (100,099)</u>	<u>\$ -</u>	<u>\$ 1,933,876</u>

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

General Information about the Pension Plan (continued)

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$335,932 in contributions from the employer.

Contribution rates as of December 31, 2022 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Pension Liabilities, Pension Expense (Credit), Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Commission reported a liability of \$1,372,367 for its proportional share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Commission's proportion was 0.02590495%, which was a decrease of 0.00016527% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Commission recognized pension expense of \$698,270.

At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,185,756	\$ 2,871,592
Changes in assumptions	269,864	-
Net differences between projected and actual earnings on pension plan investments	2,331,335	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,752	4,049
Employer contributions subsequent to the measurement date	<u>335,932</u>	<u>-</u>
	<u><u>\$ 5,132,639</u></u>	<u><u>\$ 2,875,641</u></u>

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Pension Liabilities, Pension Expense (Credit), Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

\$335,932 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an adjustment of the net pension asset in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Amortization of Deferred Outflows and Deferred Inflows of Resources</u>
2024	\$ 79,687
2025	398,362
2026	409,334
2027	1,033,683

Actuarial Assumptions

Actuarial assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns ¹
As of December 31, 2022

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return % ²</u>
Public Equity	48.00%	7.60%	5.00%
Public Fixed Income	25.00%	5.30%	2.70%
Inflation Sensitive Assets	19.00%	3.60%	1.10%
Real Estate	8.00%	5.20%	2.60%
Private Equity/Debt	15.00%	9.60%	6.90%
Total Core Fund ³	<u>115.00%</u>	<u>7.40%</u>	<u>4.80%</u>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.00%	7.20%	4.60%
International Equities	30.00%	8.10%	5.50%
Total Variable Fund	<u>100.00%</u>	<u>7.70%</u>	<u>5.10%</u>

¹ Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 – DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (continued)

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate <u>(5.8%)</u>	Current Discount Rate <u>(6.8%)</u>	1% Increase to Discount Rate <u>(7.8%)</u>
The Commission's proportionate share of the net pension liability (asset)	\$4,554,843	\$1,372,367	(\$816,902)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Plan

Payables to the WRS as of December 31, 2023 are \$54,530 for the employer and employee portion of the December 2023 required contributions.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

As of December 31, 2023, the Commission reported OPEB for the retiree life insurance and medical benefits provided. The net OPEB liabilities and related deferred outflows and inflows of resources for each plan are as follows:

<u>Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Retiree life insurance	\$ 651,835	\$ 266,806	\$ 483,060
Retiree medical insurance	377,845	92,856	118,611
Total	<u>\$ 1,029,680</u>	<u>\$ 359,662</u>	<u>\$ 601,671</u>

RETIREE LIFE INSURANCE OPEB

General Information about the Other Post-Employment Benefits

Plan description. The LRLIF is a cost-sharing multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, the ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link provided.

Benefits provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

***RETIREE LIFE INSURANCE OPEB* (continued)**

General Information about the Other Post-Employment Benefits (continued)

Contribution rates as of December 31, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2022, are as listed below:

Life Insurance			
Employee Contribution Rates*			
For the year ended December 31, 2022			
<u>Attained Age</u>	<u>Basic</u>		<u>Supplemental</u>
Under 30	\$	0.05	\$ 0.05
30-34		0.06	0.06
35-39		0.07	0.07
40-44		0.08	0.08
45-49		0.12	0.12
50-54		0.22	0.22
55-59		0.39	0.39
60-64		0.49	0.49
65-69		0.57	0.57

*Disabled members under age 70 receive a waiver of premium benefit

During the reporting period, the LRLIF recognized \$3,432 in contributions from the Commission.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE LIFE INSURANCE OPEB (continued)

OPEB Liabilities, OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023, the Commission reported a liability of \$651,835 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Commission's proportion was 0.171093%, which was an increase of 0.00514% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Commission recognized total OPEB expense of \$55,538 related to the retiree life insurance OPEB plan.

At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experiences	\$ -	\$ 63,792
Changes of Actuarial Assumptions	234,191	384,761
Net Differences Between Projected and Actual Investment Earnings on OPEB Plan Investment	12,232	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	20,383	34,507
Total	<u>\$ 266,806</u>	<u>\$ 483,060</u>

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

***RETIREE LIFE INSURANCE OPEB* (continued)**

OPEB Liabilities, OPEB Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (credit) as follows:

<u>Year Ended December 31,</u>	<u>Net Amortization of Deferred Outflows and Inflows of Resources</u>
2024	\$ (22,982)
2025	(25,086)
2026	(11,116)
2027	(39,862)
2028	(61,541)
Thereafter	(55,667)

Actuarial Assumptions

Actuarial assumptions. The Total OPEB Liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE LIFE INSURANCE OPEB (continued)

Actuarial Assumptions (continued)

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

***RETIREE LIFE INSURANCE OPEB* (continued)**

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Single Discount rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Commission's proportionate share of the Net OPEB Liability (Asset) to changes in the discount rate. The following presents the Commission's proportionate share of the Net OPEB Liability (Asset) calculated using the discount rate of 3.76 percent, as well as what Commission's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Commission's Proportionate Share of the Net OPEB Liability (Asset)	\$ 888,708	\$ 651,835	\$ 470,299

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE MEDICAL INSURANCE OPEB

General Information about the OPEB Plan

Plan description – The Commission allows all employees who upon retirement and eligible for benefits under the Wisconsin Retirement System to choose to remain on the Commission's group medical plan through the state indefinitely given certain conditions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The Commission's retiree medical insurance OPEB allows eligible employees and their dependents to choose to remain on the Commission's group medical plan through the state indefinitely, provided they continue to pay all required premiums.

Employees covered by benefit terms – At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>59</u>
	<u>63</u>

Total OPEB Liability

The Commission's total OPEB liability of \$377,845 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2021
Measurement date	December 31, 2022
Inflation	2.50%
Discount rate	4.25%
Salary increases including inflation	3.00%
Mortality	2020 WRS Experience Tables
Actuarial cost method	Entry Age Normal (level percent of salary)

The discount rate was based on the Bond Buyer 20-Bond GO Index. Medical care trend rates were 7.00%, decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter. Mortality rates were based on the 2020 WRS Experience Tables for Active Employees and Healthy Retirees projected with mortality improvements using the fully generation MP-2021 projection scale from a base year of 2010.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE MEDICAL INSURANCE OPEB (continued)

Total OPEB Liability (continued)

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted in 2021 using Wisconsin Retirement System experience from 2018-20.

Changes in the Total OPEB Liability

Service cost	\$ 32,058
Interest on total OPEB liability	8,675
Changes in benefit terms	-
Differences between expected and actual experience	-
Effect of assumption changes or other inputs	(70,696)
Benefit payments	(19,776)
Net change in total OPEB liability	<u>(49,739)</u>
 Total OPEB liability, beginning	 427,584
Total OPEB liability, ending	<u><u>\$ 377,845</u></u>

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current discount rate:

	1% Decrease (3.25%)	Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB Liability	\$ 408,361	\$ 377,845	\$ 349,057

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease (6.0% decreasing to 3.5%)	Discount Rate (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing 5.5%)
Total OPEB Liability	\$ 346,441	\$ 377,845	\$ 414,242

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

RETIREE MEDICAL INSURANCE OPEB (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023, the Commission recognized total OPEB expense of \$39,031 related to the retiree medical insurance OPEB plan. At December 31, 2023, the Commission reported deferred outflows of resources related to retiree medical insurance OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experiences	\$ 37,939	\$ -
Changes in assumptions	38,448	118,611
Employer Contributions Subsequent to the Measurement Date	16,469	-
Total	<u>\$ 92,856</u>	<u>\$ 118,611</u>

\$16,469 reported as deferred outflows related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	Net Amortization of Deferred Outflows and Inflows of Resources
2024	\$ (1,702)
2025	(1,702)
2026	(1,702)
2027	(1,702)
2028	(1,702)
Thereafter	(33,714)

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 – COMPENSATED ABSENCES

Compensated absences as of December 31, 2023 are comprised of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Accrued vacation	\$ 335,517	\$ 369,181	\$ 356,584	\$ 348,114	\$ 348,114
Accrued sick	278,693	242,544	127,739	393,498	127,739
Termination benefit	12,040	-	288	11,752	288
Total	<u>\$ 626,250</u>	<u>\$ 611,725</u>	<u>\$ 484,611</u>	<u>\$ 753,364</u>	<u>\$ 476,141</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

From time to time, the Commission becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Commission's legal counsel that the likelihood is remote that most of such claims or proceedings will have a material adverse effect on the Commission's financial position.

The Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 9 – NET POSITION

Net position reported on the statement of net position is comprised of the following:

Net investment in capital assets:	
Land	\$ 335,300
Other capital assets, net of accumulated depreciation\amortization	<u>1,598,576</u>
Total net investment in capital assets	<u>1,933,876</u>
Unrestricted	<u>7,937,692</u>
Total net position	<u>\$ 9,871,568</u>

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 10 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 11 – LEASES

The Commission, acting as lessor, leases space to a lessee within the Commission's building under a long-term, noncancellable lease agreement. The lease expires on March 31, 2024. In calculating the lease receivable and deferred inflows of resources, the Commission utilized an estimated incremental borrowing rate of 3.0% as a stated interest rate is not included in the lease agreement.

The Commission recognized \$1,499 in interest revenue and \$69,247 in lease revenue for the year ended December 31, 2023. Total future minimum lease payments to be received under the lease agreement are as follows:

<u>Year Ended December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,835	\$ 45	\$ 17,880

NOTE 12 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Commission has entered into a subscription-based information technology arrangement (SBITA) beginning July 1, 2023 and expiring on June 30, 2026 for content management. All required subscription payments have been made during the year ended December 31, 2023. The capitalized right-of-use asset recognized under this agreement is detailed in Note 4.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years***

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
The Commission's proportion of the net pension liability (asset)	0.02590495%	0.02607022%	0.02660262%	0.02724825%	0.02814380%	0.02874591%	0.02873447%	0.02811519%	0.02759216%
The Commission's proportionate share of the net pension liability (asset)	\$ 1,372,367	\$ (2,101,307)	\$ (1,660,838)	\$ (878,607)	\$ 1,001,268	\$ (853,500)	\$ 236,841	\$ 457,516	\$ (677,739)
The Commission's covered payroll	4,705,120	4,454,224	4,331,799	4,241,088	4,218,338	4,134,693	4,224,619	4,150,992	3,886,202
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.72%	106.02%	105.26%	102.96%	96.45%	102.93%	99.12%	98.20%	102.74%

**SCHEDULE OF THE COMMISSION'S PENSION CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 335,932	\$ 305,833	\$ 300,660	\$ 292,396	\$ 277,791	\$ 282,628	\$ 281,159	\$ 278,825	\$ 282,268	\$ 272,178
Contributions in relation to the contractually required contributions	(335,932)	(305,833)	(300,660)	(292,396)	(277,791)	(282,628)	(281,159)	(278,825)	(282,268)	(272,178)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
The Commission's covered payroll	4,940,183	4,705,120	4,454,224	4,331,799	4,241,088	4,218,338	4,134,693	4,224,619	4,150,992	3,886,202
Contributions as a percentage of covered payroll	6.80%	6.50%	6.75%	6.75%	6.55%	6.70%	6.80%	6.60%	6.80%	7.00%

These schedules are presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with current GASB standards, they should not be reported.

See the accompanying notes to the required supplementary information.

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023**

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance Fund**

Measurement Period	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>
The Commission's proportion of the net OPEB liability (asset)	0.17109300%	0.16595300%	0.16886800%	0.17338400%	0.18043000%	0.18119600%
The Commission's proportionate share of the net OPEB liability (asset)	\$ 651,835	\$ 980,844	\$ 928,896	\$ 738,303	\$ 465,570	\$ 545,143
The Commission's covered-employee payroll	4,226,000	4,282,000	4,084,000	4,074,000	4,044,000	7,619,810
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	38.81%	29.57%	31.36%	37.58%	48.69%	44.81%

**SCHEDULE OF THE COMMISSION'S OPEB CONTRIBUTIONS
Local Retiree Life Insurance Fund
Last 10 Fiscal Years***

Measurement Period	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 3,432	\$ 3,396	\$ 3,367	\$ 3,134	\$ 3,476	\$ 3,440
Contributions in relation to the contractually required contributions	<u>(3,432)</u>	<u>(3,396)</u>	<u>(3,367)</u>	<u>(3,134)</u>	<u>(3,476)</u>	<u>(3,440)</u>
Contribution deficiency (excess)	-	-	-	-	-	-
The Commission's covered payroll	4,226,000	4,282,000	4,084,000	4,074,000	4,044,000	7,619,810
Contributions as a percentage of covered payroll	0.08%	0.08%	0.08%	0.08%	0.09%	0.05%

These schedules are presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with current GASB standards, they should not be reported.

See the accompanying notes to the required supplementary information.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

SCHEDULE OF CHANGES IN THE COMMISSION'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 32,058	\$ 30,091	\$ 27,023	\$ 16,142	\$ 17,660	\$ 17,660
Interest on total OPEB liability	8,675	9,868	10,833	12,120	10,301	9,739
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	29,054	-	23,611	-	-
Effect of assumption changes or other inputs	(70,696)	(58,334)	16,789	44,492	(12,124)	-
Benefit payments	(19,776)	(13,216)	(9,912)	(11,801)	(966)	(21,762)
Net change in total OPEB liability	(49,739)	(2,537)	44,733	84,564	14,871	5,637
Total OPEB liability, beginning	427,584	430,121	385,388	300,824	285,953	280,316
Total OPEB liability, ending	<u>\$ 377,845</u>	<u>\$ 427,584</u>	<u>\$ 430,121</u>	<u>\$ 385,388</u>	<u>\$ 300,824</u>	<u>\$ 285,953</u>
Covered-employee payroll	<u>\$ 4,405,322</u>	<u>\$ 4,405,322</u>	<u>\$ 4,069,675</u>	<u>\$ 4,069,675</u>	<u>\$ 4,126,138</u>	<u>\$ 4,126,138</u>
Total OPEB as a % of covered-employee payroll	<u>8.58%</u>	<u>9.71%</u>	<u>10.57%</u>	<u>9.47%</u>	<u>7.29%</u>	<u>6.93%</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

See the accompanying notes to the required supplementary information.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN

Changes of Benefit Terms – There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions – Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).
Mortality:					

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1 – WISCONSIN RETIREMENT SYSTEM PENSION PLAN (Continued)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (Continued):

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 2 – WISCONSIN RETIREMENT SYSTEM - LOCAL RETIREE LIFE INSURANCE OPEB PLAN

Changes of Benefit Terms – There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions – In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three-year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

NOTE 3 – RETIREE MEDICAL INSURANCE OPEB PLAN

Changes of Benefit Terms – There were no changes of benefit terms.

Changes of Assumptions – The discount rate used in the December 31, 2021 measurement was updated from 2.00% to 4.25%.

No assets have been accumulated in an irrevocable trust as of December 31, 2023.

SUPPLEMENTARY INFORMATION

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – BUDGET TO ACTUAL
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES			
Intergovernmental:			
Charges for services	\$ 1,375,763	\$ 1,516,904	\$ 141,141
Grants:			
Federal	4,342,983	4,817,886	474,903
State	387,903	314,904	(72,999)
Miscellaneous	<u>-</u>	<u>5,027</u>	<u>5,027</u>
Total operating revenues	<u>6,106,649</u>	<u>6,654,721</u>	<u>548,072</u>
OPERATING EXPENSES			
Salaries and fringe benefits	7,449,152	7,312,161	136,991
Technical consultants	96,000	838,607	(742,607)
Office supplies	40,000	39,699	301
Insurance, audit, legal fees	125,000	107,095	17,905
Library acquisition and dues	35,000	37,343	(2,343)
Printing and graphic supplies	30,000	34,416	(4,416)
Postage expenses	15,000	11,144	3,856
Travel expenses	60,000	52,740	7,260
Telephone expenses	30,000	34,969	(4,969)
Building usage	30,000	28,600	1,400
Building maintenance	178,000	163,404	14,596
Other operating expenses	20,000	56,786	(36,786)
Software and equipment maintenance	208,000	214,509	(6,509)
Other equipment outlays	60,000	44,943	15,057
Depreciation	<u>172,260</u>	<u>134,146</u>	<u>38,114</u>
Total operating expenses	<u>8,548,412</u>	<u>9,110,562</u>	<u>(562,150)</u>
Operating loss	<u>(2,441,763)</u>	<u>(2,455,841)</u>	<u>(14,078)</u>
NONOPERATING REVENUES			
County tax levy	2,370,245	2,370,245	-
Rental income	71,518	69,247	(2,271)
Investment income	<u>-</u>	<u>324,700</u>	<u>324,700</u>
Total nonoperating revenues	<u>2,441,763</u>	<u>2,764,192</u>	<u>322,429</u>
Change in net position	<u>\$ -</u>	<u>308,351</u>	<u>\$ 308,351</u>
Net position - beginning		<u>9,563,217</u>	
Net position - ending		<u>\$ 9,871,568</u>	

OTHER INFORMATION

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF MEMBER CONTRIBUTIONS
LAST 10 FISCAL YEARS**

<u>Year</u>	<u>County Tax Levy</u>	<u>Dollar Change in Levied Amounts from the Preceding Year</u>	<u>Percentage Change in Levied Amounts from the Preceding Year</u>
2014	\$ 2,370,245	\$ -	0.00%
2015	2,370,245	-	0.00%
2016	2,370,245	-	0.00%
2017	2,370,245	-	0.00%
2018	2,370,245	-	0.00%
2019	2,370,245	-	0.00%
2020	2,370,245	-	0.00%
2021	2,251,735	(118,510)	-5.00%
2022	2,370,245	118,510	5.26%
2023	2,370,245	-	0.00%

SINGLE AUDIT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Southeastern Wisconsin Regional Planning Commission
Waukesha, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Southeastern Wisconsin Regional Planning Commission (the Commission), which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated July 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

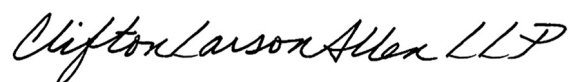
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Southeastern Wisconsin Regional Planning Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 15, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE
WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Commissioners
Southeastern Wisconsin Regional Planning Commission
Waukesha, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Southeastern Wisconsin Regional Planning Commission's (the Commission) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Wisconsin State Single Audit Guidelines that could have a direct and material effect on each of the Commission's major federal and state programs for the year ended December 31, 2023. The Commission's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Wisconsin State Single Audit Guidelines. Our responsibilities under those standards, the Uniform Guidance, and the Wisconsin State Single Audit Guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *State Single Audit Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the Wisconsin *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

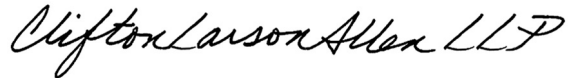
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Commissioners
Southeastern Wisconsin Regional Planning Commission

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 15, 2024

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listing Number	Passed Through No.	Receivable Jan. 1, 2023	Receipts Grantor Reimbursements	Federal Expenditures	Receivable Dec. 31 2023	Subrecipient Payments
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through Wisconsin Department of Transportation Highway Planning and Construction Cluster							
Federal Highway Planning Grant - 2022	20.205	395-0096-22-21 395-0096-22-22	\$ 900,684	\$ 900,684	\$ -	\$ -	\$ -
Federal Highway Planning Grant - 2023	20.205	395-0096-23-21 395-0096-23-22	-	1,094,052	2,421,523	1,327,471	-
Total Highway Planning and Construction Cluster			900,684	1,994,736	2,421,523	1,327,471	-
Federal Highway Planning Grant - 2022	20.505	395-0096-22-21 395-0096-22-22	652,436	652,436	-	-	-
Federal Highway Planning Grant - 2023	20.505	395-0096-23-21 395-0096-23-22	-	904,917	2,002,901	1,097,984	-
Origin & Destination Travel Survey - 2023	20.505	SPR Funds	-	-	153,195	153,195	-
Bluemound Road Enhanced Transit Project - 2022	20.505	Section 5304	54,779	54,779	-	-	-
Bluemound Road Enhanced Transit Project - 2023	20.505	Section 5304	-	85,221	85,221	-	-
Total ALN 20.505			707,215	1,697,353	2,241,317	1,251,179	-
<i>Total U.S. Department of Transportation</i>			1,607,899	3,692,089	4,662,840	2,578,650	-
ENVIRONMENTAL PROTECTION AGENCY							
Direct Awards							
Climate Pollution Reduction Grants	66.046	N/A	-	-	68,046	68,046	-
Passed Through Wisconsin Department of Natural Resources							
Federal 604B Funds - 2022	66.454	N/A	7,000	7,000	-	-	-
Federal 604B Funds - 2023	66.454	N/A	-	23,600	53,000	29,400	-
<i>Total Environmental Protection Agency</i>			7,000	30,600	121,046	97,446	-
U.S. DEPARTMENT OF COMMERCE							
Passed Through Wisconsin Department of Administration							
Coastal Management - Lake Michigan Coastal Resilience	11.419	N/A	4,934	4,934	-	-	-
Coastal Management	11.419	N/A	20,000	20,000	20,000	20,000	-
Natural Areas Update	11.419	N/A	40,000	40,000	-	-	-
<i>Total U.S. Department of Commerce</i>			64,934	64,934	20,000	20,000	-
NATIONAL SCIENCE FOUNDATION							
Passed Through UW-Milwaukee							
Research and Development Cluster							
UW Milwaukee User Centered Mobility Solutions	47.041	223405540	176,013	190,013	14,000	-	-
TOTAL FEDERAL AWARDS			\$ 1,855,846	\$ 3,977,636	\$ 4,817,886	\$ 2,696,096	\$ -

See the accompanying notes to the schedules of expenditures of federal and state awards.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended December 31, 2023

State Grantor/ Pass-Through Agency/ Program Title	State ID Number	Passed Through No.	Receivable Jan. 1, 2023	Receipts Grantor Reimbursements	State Expenditures	Receivable Dec. 31 2023
WISCONSIN DEPARTMENT OF NATURAL RESOURCES						
State Water Quality - 2023	370.604	N/A	\$ -	\$ 112,000	\$ 112,000	\$ -
<i>Total Wisconsin Department of Natural Resources</i>			-	112,000	112,000	-
WISCONSIN DEPARTMENT OF TRANSPORTATION						
Highway Planning - 2022	395.202	N/A	90,370	90,370	-	-
Highway Planning - 2023	395.202	N/A	-	88,308	202,904	114,596
<i>Total Wisconsin Department of Transportation</i>			90,370	178,678	202,904	114,596
TOTAL STATE AWARDS			<u>\$ 90,370</u>	<u>\$ 290,678</u>	<u>\$ 314,904</u>	<u>\$ 114,596</u>

See the accompanying notes to the schedules of expenditures of federal and state awards.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
December 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying “Schedules of Expenditures of Federal and State Awards” includes the federal and state grant activity of the Southeastern Wisconsin Regional Planning Commission (the “Commission”) and is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Wisconsin *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the financial statements. Because this Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – NONCASH FEDERAL AND STATE ASSISTANCE

The Commission did not receive any noncash federal or state assistance for the year ended December 31, 2023.

NOTE 4 – INDIRECT COSTS

The Commission has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*.

NOTE 5 – SUBRECIPIENTS

The Commission did not pass any federal or state grant funding to any subrecipients for the year ending December 31, 2023.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

 X yes no

 yes X none
 reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Type of auditors' report issued on compliance for
major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

 yes X no

 X yes none
 reported

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)?

 X yes no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

20.205

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between
Type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes no

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
December 31, 2023**

State Awards

Type of auditors' report issued on compliance for major programs:

Unmodified

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____ yes X no

_____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with the Wisconsin *State Single Audit Guidelines*?

_____ yes X no

Identification of major programs:

<u>State Number(s)</u>	<u>Name of State Program or Cluster</u>
-------------------------------	--

395.202	Highway Planning Grant
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Dollar threshold used to distinguish between Type A and type B programs:

\$ 250,000

Auditee qualified as low-risk auditee?

 X yes _____ no

Section II - Financial Statement Findings

2023-001: Preparation of the Financial Statements

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: The Board of Commissioners and management share the ultimate responsibility for the Commission's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced. In conjunction with the performance of the audit, we proposed one (1) material audit adjustment necessary to present the financial statements in accordance with accounting principles generally accepted in the United States of America.

The Commission engages CLA to assist in preparing its financial statements and accompanying disclosures. However, as independent auditors, CLA cannot be considered part of the Commission's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Commission has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Commission's activities and operations.

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
December 31, 2023**

Section II - Financial Statement Findings (continued)

2023-001: Preparation of the Financial Statements (continued)

The Commission's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Commission's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis.

Criteria or specific requirement: Commission management is responsible for establishing and maintaining internal controls over the fair presentation of the financial statements including disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP) as set by the Government Accounting Standards Board (GASB).

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Commission's internal controls in the normal course of business.

Cause: The Commission's internal controls failed to detect one (1) material misstatement related to payroll processing and accrual.

Repeat Finding: No

Recommendation: We recommend that the Commission implement a system of internal controls over cash cutoff that will mitigate the risk of misstatement in accordance with GAAP as set by the GASB.

Views of responsible officials: Management agrees with the finding.

Section III - Federal and State Awards Findings and Questioned Costs

2023-002: Suspension and Debarment

Federal Agency: U.S. Department of Transportation

Federal Program Name: Highway Planning and Construction Cluster

Assistance Listing Number: 20.205

Federal Award Identification Number and Year: 395-0096-22-21 / 395-0096-22-22 -Year Ended December 31, 2023

Award Period: January 1, 2023 – December 31, 2023

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
December 31, 2023**

Section III - Federal and State Awards Findings and Questioned Costs

2023-002: Suspension and Debarment (continued)

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Section 200.303, Internal Controls, states that the Commission shall “establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred.

Condition: The Commission had not established a policy or an effective internal control system related to the grant agreement and the Procurement, Suspension, and Debarment compliance requirement. The Commission’s current procurement policy does not include a documented process to ensure vendors meet suspension and debarment requirements. In addition, there was no documentation that the Commission had timely verified that the Commission’s vendors were not suspended or debarred.

Questioned costs: None

Context: Procurement policies were followed, but no documented process to ensure suspension and debarment compliance was noted.

Cause: The current policy and internal control structure does not include a process for ensuring suspension and debarment requirements are met for all required vendors.

Effect: The Commission may contract with or make subawards under covered transactions to parties that are suspended or debarred.

Repeat Finding: No

Recommendation: We recommend that the Commission update their current procurement policy and implement a system of internal controls over suspension and debarment that will ensure compliance

Views of responsible officials: Management agrees with the finding.

SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
December 31, 2023

Section IV – Other Issues

1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? _____ yes X no

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants\contracts with funding agencies that require audits to be in accordance with the Wisconsin *State Single Audit Guidelines*:

Department of Natural Resources	_____ yes	_____ <u> X </u> no
Department of Transportation	_____ yes	_____ <u> X </u> no
Department of Administration	_____ yes	_____ <u> X </u> no

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? _____ yes X no

4. Name and signature of principal



Jordan Boehm, CPA

5. Date of report

July 15, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

U.S. DEPARTMENT OF TRANSPORTATION

The Southeastern Wisconsin Regional Planning Commission (the Commission) respectfully submits the following corrective action plan for the year ended December 31, 2023.

Audit period: January 1, 2023 – December 31, 2023

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2023-001 Preparation of the Financial Statements

Recommendation: We recommend that the Commission implement a system of internal controls over cash cutoff that will mitigate the risk of misstatement in accordance with GAAP as set by the GASB.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned in response to finding: The Commission has continued to develop a system of internal controls over financial statement close and reporting to mitigate the risk of misstatement in accordance with GAAP as set by the GASB. Developments include regular reconciliations between cash and expenditures incurred.

Name of the contact person responsible for corrective action: Elizabeth Larsen, SHRM-SCP, SPHR, Director of Administration

Planned completion date for corrective action plan: December 31, 2024

**SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. DEPARTMENT OF TRANSPORTATION

2023-002 Highway Planning and Construction Cluster: Assistance Listing No. 20.205

Recommendation: We recommend that the Commission update their current procurement policy and implement a system of internal controls over suspension and debarment that will ensure compliance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Commission has taken corrective action to ensure review of suspension and debarment is documented in accordance with updated procurement policies.

Name of the contact person responsible for corrective action: Elizabeth Larsen, SHRM-SCP, SPHR, Director of Administration

Planned completion date for corrective action plan: December 31, 2024